



U.S. Small Business
Administration

SBA Programs and PPP Loan Application Information from the Economic Aid Act Signed on Dec 27, 2020

SBA Programs & PPP Applications 2021

Today we'll cover:

- Overview of the key elements of the new 2021 Paycheck Protection Program (PPP).
- Additional details to the PPP program included in the new legislation.
- Other SBA and Tax provisions included in the new legislation.
- Elements of the new legislation specifically for underserved and low-income communities.
- The most current information about when and where to apply for the PPP loans.
- SBA Economic Injury Disaster Loan (EIDL) Update.
- Where to seek additional assistance and one on one advising.

SBA Programs & PPP Applications 2021

- The information provided in this presentation is relevant as of 1-14-21. Neither the presenters, nor the Washington Small Business Development Centers are the final authority on this material. The information is subject to change at any time with new legislation and/or additional rules from the Treasury and/or the SBA. We are waiting for new rules applying to the legislation for most of the details we will cover today.
- Consult your CPA, Attorney or similar professional for tax and legal advice regarding how these programs may impact your specific business.
- The purpose of this presentation is to assist small business owners with their use of the programs established by the federal legislation. It is also to help Technical Assistance partners supporting bilingual and underserved communities better assist their communities with this material.

SBA Programs & PPP Applications 2021

What can the small business owner do to get ready:

- Find and review 2019 tax return.
- Up to date 2019 and 2020 Business Profit and Loss statements.
- Determine your highest average monthly payroll from either calendar year 2019 or 2020 or the last 12-months prior to the loan application.
- Other documents you may need later - Bank account statements, 3rd party payroll records, W2/W3 forms, Tax forms such as 941, Copies of funds transfers, ACH, checks, State wage reporting documents for unemployment and L&I, For the employer portions of: health insurance, retirement plans and state/local taxes – payment receipts and cancelled checks or account statements.
- Evidence of changes in gross revenue from 2019 to 2020.

SBA Programs & PPP Applications 2021

The Five Major PPP Changes - #1: The 1st Draw PPP Loan :

- Business entities who did not receive a PPP loan in 2020.
- First priority goes to first time PPP borrowers, including minority owned, veteran owned, woman owned and businesses in underserved markets.
- Must show that they were in operation on or before February 15th, 2020.
- Maximum loan amount is \$2 million (affiliation alliances may apply) and not more than 500 employees per physical location.
- Accommodations and food service (NACIS 72) can employ 500 employees per physical location.
- Loan amounts are based on 2.5 times average monthly payroll. It is 3.5-times avg. monthly payroll for accommodations and food services.
- Extends the time of the PPP application program to March 31, 2021 and appropriates \$284.45 billion for it.

SBA Programs & PPP Applications 2021

The Five Major PPP Changes - #1: The 2nd Draw PPP Loan :

- Eligibility is for businesses that have used all of their first PPP loan funds as of Dec 31st.
- Must document 25% reduction in “gross revenue” on an annual basis or in any one of the four quarters in 2020 as compared to 2019.
- Loan amount maximum of \$2 million and not more than 300 employees.
- Only one 2nd draw PPP loan is allowed.
- Loan amounts are based on 2.5-times average monthly payroll. It is 3.5-times average monthly payroll for accommodations and food services.
- Accommodations and food service (NACIS 72) can employ 300 employees per physical location.
- Eligible Entities: for profit businesses, certain non-profits including 501(c)(6), housing cooperatives, veterans' organizations, tribal businesses, self employed individuals, sole proprietors, independent contractors and small agricultural co-operatives.

SBA Programs & PPP Applications 2021

The Five Major PPP Changes - #2: Simplified PPP Loan Forgiveness for Loans Up To \$150,000:

- Loan forgiveness for loans \$150,000 or less will use a new short form that has not yet been developed.
- The new form will be one page and includes a description of the number of employees that were retained because of the PPP loan and the estimated total amount of the loan spent on payroll costs.
- The borrower will have to attest to certain certifications that demonstrate their compliance with the Paycheck Protection Program requirements.
- At least 60% of the use of PPP funds for payroll still applies. Up to 40% of PPP funds can be applied to mortgage interest, rent, utility and covered operations expenditures including property damage costs, supplier costs and worker protection expenditures during the covered period.

SBA Programs & PPP Applications 2021

The Five Major PPP Changes - #3: Additional uses of the PPP funds:

- Additional uses allowed include - certain operational expenses for computing, Human resources, accounting, supplier costs pursuant to a contract for goods and personal protective equipment.
- Property damage caused by civil unrest is an allowed PPP expense.
- Payroll costs can include group insurance including life, disability, health, vision, and/or dental insurance.
- PPP loans made before, on or after enactment of the new legislation can use the expanded forgivable expenses unless the 1st PPP loan has already been forgiven.
- Borrowers who returned all or part of their PPP loan funds may apply for a 2nd draw PPP loan up to the \$2 million maximum amount.
- PPP borrowers are required to retain all relevant records related to employment for four years and other records for three years.

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The Five Major PPP Changes - #3: Additional uses of the PPP (con't):

- Farmers and ranchers who operate as sole proprietors, independent contractors, self-employed individuals may utilize their gross income from their 2019 Schedule F and were in business on Feb 15, 2020 to calculate their PPP loan amount. Farm credit institutions can make PPP loans.
- A seasonal employer is one who operates for not more than seven months a year or earns no more than 1/3 of its receipts in any six months in the prior calendar year is eligible.
- Housing Cooperatives as defined in section 216b if the IRS code are eligible.
- FCC license holders and newspapers with more than one physical location and no more than 500 employees per location are eligible.
- 501(c)(6) and Destination Marketing Organizations are eligible if no more than 15% of receipts and/or activities are from lobbying and the cost of lobbying did not exceed \$1 million in the tax year prior to Feb 15, 2020.

SBA Programs & PPP Applications 2021

The Five Major PPP Changes - #4: EIDL Advance is no longer deducted from Loan Forgiveness:

- The new legislation repeals the CARES Act section that required the deduction of the EIDL Advance from the PPP loan forgiveness amount.
- If the PPP loan has already been forgiven, the SBA will provide a reconciliation payment to the lender to pay down the outstanding PPP loan balance caused by the EIDL Advance.
- The new legislation establishes that PPP borrowers who received the EIDL Advance should be made whole without regard to whether those borrowers are eligible for PPP forgiveness.

SBA Programs & PPP Applications 2021

The Five Major PPP Changes - #5: Tax Provisions Expenses Forgiven Are Now Deductible Expenses For Year End Tax Reporting:

- Gross business income does not include any amount that would otherwise arise from the forgiveness of a PPP loan.
- Business tax deductions are allowed for otherwise deductible expenses paid with proceeds of a PPP loan that is forgiven.
- Gross business income does not include forgiveness of certain loans, emergency EIDL grants and certain loan re-payment assistance, each as provided in the CARES Act.
- These provisions are effective as of the date of the CARES Act in 2020.

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Additional Details to the PPP Program Included in the New Legislation:

- PPP borrower may elect a covered period for the dates of the borrower's choosing between 8 and 24 weeks after the funding of the PPP loan.
- The loan amount is based on 2.5 times the average monthly payroll in one year prior to the loan or the calendar year.
- Accommodations and food services (NAICS 72) can be 3.5 times avg. payroll.
- Seasonal employers can determine loan amount based on a 12-week period between Feb 15, 2019 and Feb 15, 2020. There is now a specific definition for seasonal businesses.
- Businesses with multiple locations are eligible if they employ 300 or less total employees per location.
- For all PPP loans, the borrower submits certification attesting to 25% revenue reduction on an annual basis or in any one of the four quarters in 2020 as compared to 2019. Documents are required at time of application for PPP loans over \$150,000 and at time of forgiveness for \$150,000 and under.

SBA Programs & PPP Applications 2021

Elements of the New Legislation Specifically for Underserved and Low-Income Communities:

- The SBA Administrator must issue guidance addressing the barriers to access to capital for underserved communities.
- Set-aside of \$15 billion for PPP loans to be issued by community financial institutions, including CDFIs and minority depository institutions (MDIs).
- Set-aside of \$15 billion for PPP loans issued by certain other small depository institutions.
- Set-aside of \$35 billion for first time borrowers, \$15 billion of which are for smaller, first time borrowers with 10 or fewer employees.
- \$25 billion for 2nd draw loans for smaller borrowers with 10 or fewer employees or loans less than \$250,000 in low-income areas.
- \$25 million for Minority Business Development Centers.
- \$57 million for microloan programs.

SBA Programs & PPP Applications 2021

\$3.5 Billion for the Debt Relief Program & Bankruptcy Provisions:

Debt Relief Program:

- For those with existing SBA 7a, 504 (SBA Portion) and Microloans:
- The SBA will pay at least an additional three months of P&I starting in February 2021.
- Certain underserved businesses may receive additional months.
- These payments will be capped at \$9,000. Loan payments above that will be the responsibility of the borrower.

Bankruptcy Provision:

Establishes a special procedure if the SBA Administrator determines certain small business debtors are eligible for the PPP loan. It requires court approval for PPP loans for these debtors.

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\$15 Billion for Shuttered Venue Operators:

Grants will be available to eligible live venue operators or promoters, theatrical producers, live performing arts operators, museum operators, motion picture operators, and talent reps who demonstrate a revenue reduction.

The processing priority will be as follows:

- 1st 14 days of program, grants will be awarded to venues with a minimum 90% revenue loss.
- 2nd 14 days, grants awarded to venues with a minimum 70% revenue loss.
- After 28 days, grants will be awarded to venues with less than a 70% revenues loss.
- Initial grant can be up to \$10 million with a supplemental at 50% of 1st grant.
- \$2 Billion set-aside for entities with up to 50 FT employees.
- Shuttered Venue Entities can receive this grant but if they do, they are not eligible for a new PPP loan.

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\$20 Billion for the Targeted EIDL Advance program and Emergency EIDL Grants:

- Provides targeted EIDL Advance funding to entities located in low-income communities.
- Makes entities in low-income communities that received EIDL advances eligible to increase the EIDL advance amount up to \$10,000.
- Provides \$10,000 EIDL grants to eligible applicants in low-income communities that did not secure grants because the funding had run out.
- Extends the covered period for use of Emergency EIDL grants through December 31, 2021.
- This grant process and the designations of low-income communities are being developed.

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Employee Retention Tax Credit (ERTC):

- This is a good option for those who cannot apply for a new PPP.
- Those who receive a PPP can qualify for the ERTC for wages that are not forgiven with PPP proceeds.
- Additional eligibility for full or partial reduction in business activity that may have resulted from government orders.
- The ERTC credit is a reduction in the amount due on 941/940 reports of up to 70% of qualified wages.
- Requires a year over year gross revenue decline of 20% or more.
- Establishes a credit limit of \$10,000 per employee per quarter.
- Allows businesses with 500 or fewer employees to advance the credit based on wages paid in the same quarter in a previous year.
- Additional information and rules on the ERTC are available and more will be coming.

SBA Programs & PPP Applications 2021

The Most Current Information About When and Where to Apply for the PPP loans:

- First priority lenders - Community Financial Institutions (CFI), CDFIs, CDCs and Micro lenders and Minority Depository Institutions - started processing PPP loans the week of January 11th.
- The PPP Program opens to small lenders on Friday January 15th. A small lender is one with \$1 Billion or less in assets.
- The PPP Program opens to all participating lenders on Tuesday, January 19th. All other lenders are banks, credit unions and farm credit institutions.
- Lender Match on the SBA website will assist in location lenders for PPP loans.
- For all 1st or 2nd Draw PPP loans you have to work with an SBA approved PPP lender.

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SBA Economic Injury Disaster Loan (EIDL) Update:

- The EIDL Loan Program has been reauthorized through 12-31-2021 or until funds are no longer available. Interest rates are 3.75% for for-profit businesses and 2.75% for non-profit businesses for a 30-year term. Payments are deferred until 12 months and there is no prepayment penalty.
- Apply here - <https://covid19relief.sba.gov/#/>. Print each application page and verify for accuracy before moving to the next page. Validate your deposit institution's routing number and your account number.
- Office of Disaster Assistance's Customer Service Center is **1-800-659-2955**. To check status of your EIDL loan, call the 800 # and ask for a Tier 2 person.
- To ask for EIDL reconsideration if your loan request is denied or to request an increase in your loan amount - email to pdcrecons@sba.gov. You may be required to complete an SBA form 3501, a statement of liabilities and an updated form 4506-T (request for Transcript of Tax Return). Be sure these are accurate.

PPP 1st Draw SBA Form 2483 (Rev 1/8/21)



Paycheck Protection Program Borrower Application Form Revised January 8, 2021

OMB Control No.: 3245-0407
Expiration Date: 7/31/2021

Check One: <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input checked="" type="checkbox"/> LLC <input type="checkbox"/> Independent Contractor <input type="checkbox"/> Self-Employed Individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal Business <input type="checkbox"/> Other	DBA or Tradename (if applicable)	Year of Establishment (if applicable)
	Second Time Clothes	2015
Business Legal Name	NAICS Code	Applicant (including affiliates, if applicable) Meets Size Standard (check one):
June's Closet, LLC	431100	<input checked="" type="checkbox"/> No more than 500 employees (or 300 employees, if applicable) <input type="checkbox"/> SBA industry size standards <input type="checkbox"/> SBA alternative size standard
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed)	Business TIN (EIN, SSN)	Business Phone
235 <u>Burberry Lane</u> Apple, Washington 99232	91-456789	(509) 234-5678
	Primary Contact	Email Address
	June Jones	jjones234@gmail.com

Average Monthly Payroll:	\$5,000.00	x 2.5 + EIDL (Do Not Include Any EIDL Advance) equals Loan Request Amount:	\$12,500.00	Number of Employees:	5.00
Purpose of the loan (select all that apply):	<input checked="" type="checkbox"/> Payroll Costs	<input checked="" type="checkbox"/> Rent / Mortgage Interest	<input checked="" type="checkbox"/> Utilities	<input checked="" type="checkbox"/> Covered Operations Expenditures	
	<input checked="" type="checkbox"/> Covered Property Damage	<input checked="" type="checkbox"/> Covered Supplier Costs	<input checked="" type="checkbox"/> Covered Worker Protection Expenditures	<input type="checkbox"/> Other (explain):	

Continued Form 2483 (Rev 1/8/21)

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address
June Jones	Managing Member	100	111111111	2425 Apple Way, Apple WA 99232

If questions (1), (2), (5), or (6) are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management (including a management agreement) with any other business? If yes, list all such businesses (including their TINs if available) and describe the relationship on a separate sheet identified as addendum A.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. Did the Applicant receive an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020? If yes, provide details on a separate sheet identified as addendum B.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction? Initial here to confirm your response to question 5 → JJ	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. Within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance, or within the last year, for any other felony, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 6 → JJ	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7. Is the United States the principal place of residence for all employees included in the Applicant's payroll calculation above?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Is the Applicant a franchise?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9. Is the franchise listed in the SBA's Franchise Directory? If yes, enter the SBA Franchise Identifier Code here: <input type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Continued Form 2483 (Rev 1/8/21) Page 2



Paycheck Protection Program Borrower Application Form Revised January 8, 2021

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) and the Department of the Treasury (Treasury) implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (the Paycheck Protection Program Rules).
- The Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) if not a housing cooperative, eligible 501(c)(6) organization, or eligible destination marketing organization, employs no more than the greater of 500 employees or, if applicable, the size standard in number of employees established by SBA in 13 C.F.R. 121.201 for the Applicant's industry; (3) if a housing cooperative, eligible 501(c)(6) organization, or eligible destination marketing organization, employs no more than 300 employees; (4) if NAICS 72, employs no more than 500 employees per physical location; (5) if a news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business or a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, employs no more than 500 employees (or, if applicable, the size standard in number of employees established by SBA in 13 C.F.R. 121.201 for the Applicant's industry) per location; or (6) is a small business under the applicable revenue-based size standard established by SBA in 13 C.F.R. 121.201 for the Applicant's industry or under the SBA alternative size standard.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rules including the prohibition on using loan proceeds for lobbying activities and expenditures. If Applicant is a news organization that became eligible for a loan under Section 317 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, proceeds of the loan will be used to support expenses at the component of the business concern that produces or distributes locally focused or emergency information.
- I understand that SBA encourages the purchase, to the extent feasible, of American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.
- Any EIDL loan received by the Applicant (Section 7(b)(2) of the Small Business Act) between January 31, 2020 and April 3, 2020 was for a purpose other than paying payroll costs and other allowable uses for loans under the Paycheck Protection Program Rules.

Continued Form 2483 (Rev 1/8/21) Page 2

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one:

JJ The Applicant was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees, or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.

JJ Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.

JJ The funds will be used to retain workers and maintain payroll; or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures as specified under the Paycheck Protection Program Rules; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.

JJ I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, covered utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures, and not more than 40% of the forgiven amount may be for non-payroll costs. If required, the Applicant will provide to the Lender and/or SBA documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of eligible expenses for the covered period following this loan.

JJ The Applicant has not and will not receive another loan under the Paycheck Protection Program, section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)) (this does not include Paycheck Protection Program second draw loans, section 7(a)(37) of the Small Business Act (15 U.S.C. 636(a)(37))).

JJ The Applicant has not and will not receive a Shuttered Venue Operator grant from SBA.

JJ The President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings provided in Section 322 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act.

JJ The Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f).

JJ I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

JJ I acknowledge that the Lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge, and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

Continued Form 2483 (Rev 1/8/21) Optional Demographic

PPP Borrower Demographic Information Form (Optional)

Instructions

1. **Purpose.** Veteran/gender/race/ethnicity data is collected for program reporting purposes only.
2. **Description.** This form requests information about each of the Borrower's Principals. Add additional sheets if necessary.
3. **Definition of Principal.** The term "Principal" means:
 - For a self-employed individual, independent contractor, or a sole proprietor, the self-employed individual, independent contractor, or sole proprietor.
 - For a partnership, all general partners and all limited partners owning 20% or more of the equity of the Borrower, or any partner that is involved in the management of the Borrower's business.
 - For a corporation, all owners of 20% or more of the Borrower, and each officer and director.
 - For a limited liability company, all members owning 20% or more of the Borrower, and each officer and director.
 - Any individual hired by the Borrower to manage the day-to-day operations of the Borrower ("key employee").
 - Any trustor (if the Borrower is owned by a trust).
 - For a nonprofit organization, the officers and directors of the Borrower.
4. **Principal Name.** Insert the full name of the Principal.
5. **Position.** Identify the Principal's position; for example, self-employed individual; independent contractor; sole proprietor; general partner; owner; officer; director; member; or key employee.

Principal Name		Position
June Jones		Managing Member
Veteran	1=Non-Veteran; 2=Veteran; 3=Service-Disabled Veteran; 4=Spouse of Veteran; X=Not Disclosed	2
Gender	M=Male; F=Female; X=Not Disclosed	F
Race (more than 1 may be selected)	1=American Indian or Alaska Native; 2=Asian; 3=Black or African-American; 4=Native Hawaiian or Pacific Islander; 5=White; X=Not Disclosed	4
Ethnicity	H=Hispanic or Latino; N=Not Hispanic or Latino; X=Not Disclosed	N

Disclosure is voluntary and will have no bearing on the loan application decision

PPP 2nd Draw SBA Form 2483-SD



Paycheck Protection Program Second Draw Borrower Application Form

OMB Control No.: 3245-0417
Expiration Date: 7/31/2021

Check One:		<input checked="" type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> Independent Contractor <input type="checkbox"/> Self-Employed Individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal Business <input type="checkbox"/> Other		DBA or Tradename (if applicable)	Year of Establishment (if applicable)
				Nicole's Candle Shop	2019
Business Legal Name				NAICS Code	
Nicole Johnson				831500	
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed)				Business TIN (EIN, SSN)	Business Phone
787 Quince Street Seattle WA 98124				451290874	(206) 565-7891
				Primary Contact	Email Address
Average Monthly Payroll:	\$ 10,000.00	x 2.5 (or x 3.5 for NAICS 72 applicants) equals Loan Request Amount (may not exceed \$2,000,000):	\$ 25,000.00	Number of Employees (including affiliates, if applicable; may not exceed 300):	3.50
Purpose of the loan (select all that apply):	<input checked="" type="checkbox"/> Payroll Costs	<input checked="" type="checkbox"/> Rent / Mortgage Interest	<input checked="" type="checkbox"/> Utilities	<input checked="" type="checkbox"/> Covered Operations Expenditures	
	<input type="checkbox"/> Covered Property Damage	<input checked="" type="checkbox"/> Covered Supplier Costs	<input checked="" type="checkbox"/> Covered Worker Protection Expenditures	<input type="checkbox"/> Other (explain):	
PPP First Draw SBA Loan Number:	9766588888				
Reduction in Gross Receipts of at Least 25% (Applicants for loans of \$150,000 or less may leave blank but must provide upon or before seeking loan forgiveness or upon SBA request):	2020 Quarter (e.g., 2Q 2020):	4Q 2020	Reference Quarter (e.g., 2Q 2019):	4Q 2019	
	Gross Receipts:	\$ 50,000.00	Gross Receipts	\$ 150,000.00	

PPP 2nd Draw SBA Form 2483-SD

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address
Nicole Johnson	Sole Proprietor	100	345526798	111 Drury Lane, Seattle WA 98124

If questions (1), (2), (4), or (5) are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management (including a management agreement) with any other business? If yes, list all such businesses (including their TINs if available) and describe the relationship on a separate sheet identified as addendum A.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction? Initial here to confirm your response to question 4 → <u>NJ</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. Within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance, or within the last year, for any other felony, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 5 → <u>NJ</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. Is the United States the principal place of residence for all employees included in the Applicant's payroll calculation above?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Is the Applicant a franchise?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8. Is the franchise listed in SBA's Franchise Directory? If yes, enter SBA Franchise Identifier Code here: <u></u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

PPP 2nd Draw SBA Form 2483-SD – Page 2



Paycheck Protection Program Second Draw Borrower Application Form

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) and the Department of the Treasury (Treasury) implementing Second Draw Paycheck Protection Program Loans under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (the Paycheck Protection Program Rules).
- The Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) employs no more than 300 employees; or (3) if NAICS 72, employs no more than 300 employees per physical location; (4) if a news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business or a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, employs no more than 300 employees per location.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rules including the prohibition on using loan proceeds for lobbying activities and expenditures. If Applicant is a news organization that became eligible for a loan under Section 317 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, proceeds of the loan will be used to support expenses at the component of the business concern that produces or distributes locally focused or emergency information.
- I understand that SBA encourages the purchase, to the extent feasible, of American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.

PPP 2nd Draw SBA Form 2483-SD – Page 2

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one:

NJ

The Applicant was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees, or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.

NJ

Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.

NJ

The Applicant has realized a reduction in gross receipts in excess of 25% relative to the relevant comparison time period. For loans greater than \$150,000, Applicant has provided documentation to the lender substantiating the decline in gross receipts. For loans of \$150,000 or less, Applicant will provide documentation substantiating the decline in gross receipts upon or before seeking loan forgiveness for the Second Draw Paycheck Protection Program Loan or upon SBA request.

NJ

The Applicant received a First Draw Paycheck Protection Program Loan and, before the Second Draw Paycheck Protection Program Loan is disbursed, will have used the full loan amount (including any increase) of the First Draw Paycheck Protection Program Loan only for eligible expenses.

NJ

The funds will be used to retain workers and maintain payroll; or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures as specified under the Paycheck Protection Program Rules; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.

NJ

I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, covered utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures, and not more than 40% of the forgiven amount may be for non-payroll costs. If required, the Applicant will provide to the Lender and/or SBA documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of eligible expenses for the covered period following this loan.

NJ

The Applicant has not and will not receive another Second Draw Paycheck Protection Program Loan.

NJ

The Applicant has not and will not receive a Shuttered Venue Operator grant from SBA.

NJ

The President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings

PPP 2nd Draw SBA Form 2483-SD – Page 3

NJ

provided in Section 322 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act.

NJ

The Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f).

NJ

The Applicant is not a business concern or entity (a) for which an entity created in or organized under the laws of the People's Republic of China or the Special Administrative Region of Hong Kong, or that has significant operations in the People's Republic of China or the Special Administrative Region of Hong Kong, owns or holds, directly or indirectly, not less than 20 percent of the economic interest of the business concern or entity, including as equity shares or a capital or profit interest in a limited liability company or partnership; or (b) that retains, as a member of the board of directors of the business concern, a person who is a resident of the People's Republic of China.

NJ

The Applicant is not required to submit a registration statement under section 2 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 612).

NJ

The Applicant is not a business concern or entity primarily engaged in political or lobbying activities, including any entity that is organized for research or for engaging in advocacy in areas such as public policy or political strategy or otherwise describes itself as a think tank in any public documents.

NJ

I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

I acknowledge that the Lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge, and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

 SIGNATURE

Signature of Authorized Representative of Applicant

Nicole Johnson

Print Name

01/13/21

Date

Sole Proprietor

Title

SBA Programs & PPP Applications 2021

Where to Get Additional Information & Support Resources:

- Technical Assistance for non-English speakers, and underserved communities can be found at this link – <https://www.commerce.wa.gov/serving-communities/technical-assistance-from-trusted-community-messengers/>.
- One on One SBDC advising is at Washington@wsbdc.org or 833-492-7232.
- The SBA website at [SBA.gov](https://www.sba.gov) can be converted to 108 additional languages with the “Translate” button.
- Lender Match - <https://www.sba.gov/funding-programs/loans/lender-match>.
- Treasury Website for PPP info & Rules - <https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses>.
- IRS website on the Employee Retention Tax Credit: <https://www.irs.gov/newsroom/covid-19-related-employee-retention-credits-how-to-claim-the-employee-retention-credit-faqs>.
- SBA Website for PPP info & FAQs - www.sba.gov/PPP

SBA Programs & PPP Applications 2021

Upcoming Training & Webinars:

- January 15th SBA Round 2 COVID-19 relief and PPP Application:
<https://wsbdc.ecenterdirect.com/events/99271349>.
- January 22nd Updates to PPP Loan Forgiveness Instructions:
<https://wsbdc.ecenterdirect.com/events/99271352>.
- Additional PPP webinars are planned every Friday at 10:00am into March – Information on these and other webinars can be found at:
<https://wsbdc.ecenterdirect.com/events>
- Training regarding the shuttered venue grant program on Jan 14th at noon -
https://www.eventbrite.com/e/shuttered-venue-operators-grant-webinar-registration-136050549857?utm_medium=email&utm_source=govdelivery
- Special training for technical assistance partners and economic development organizations via the Washington Economic Development Association (WEDA) – Every Tuesday at 10:00am into March.

Find the Nearest Advisor:

<https://wsbdc.org/contact-an-advisor/washington@wsbdc.org> or 833-4WA-SBDC



Q&A



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